

Approved by UT Board of Trustees
November 16, 2015



INTERNAL AUDIT AND COMPLIANCE CHARTER

Introduction

The Internal Audit and Compliance Department reports to the Board of Trustees through the Board's Finance and Audit Committee

Responsibilities

The responsibilities of the Internal Audit and Compliance Department include:

- The performance of an independent assessment of the effectiveness of controls and practice, the accuracy of financial records and the effective, efficient and economical use of the University's resources to insure compliance with the University's policies and procedures, Federal and State laws and regulations, and generally accepted accounting practices.
- The investigation, documentation and resolution of fraud claims.
- The participation in the coordination of all external audits in the University.
- The performance of an independent assessment that reviews the safeguards in place over the University's assets.
- The performance of an independent assessment of the effectiveness of the security measures in place to protect our students, faculty and staff from harm due to human activity or acts of natural disaster.

Authority

The Internal Audit and Compliance Department shall have unfettered access to all University records and all areas of operation.

All information obtained by the Internal Audit and Compliance Department staff in the course of performing their assigned duties shall be treated with confidentiality.

The Internal Audit and Compliance Department has no authority or direct responsibility over the departments or activities it reviews.

Reporting

The Internal Audit and Compliance Department shall provide the Chairman of the Board of Trustees' Finance and Audit Committee, on an ongoing basis, the following:

- An assessment of risk factors for all functions of the University subject to audit scrutiny and an assessment of the frequency of audit for each function.
- Prior to the beginning of each fiscal year, an annual work plan.
- All complete audit reports and administrative responses.
- All complaints received, including anonymous complaints.

In addition, the Internal Audit and Compliance Department shall:

- Immediately notify the Committee Chair when significant issues regarding administrative action or functions are called into question. However, where an issue does not involve the President and wherever practical, the President should also be simultaneously notified of any significant issues.
- Immediately notify the Committee Chair of any requests for audit made by the administration or external third parties or government agencies.

University Administration's Responsibilities under the Charter

- Immediately inform and engage the Director of Internal Audit and Chief Compliance Officer (Director) at the time a significant internal control breakdown, or matter involving business ethics, is discovered by the University. The Director and appropriate University administrator develop a plan to investigate and/or audit the issue. The Director will update the Board and University administration as necessary.
- Immediately inform the Director of reviews and audits to be conducted by regulators and accrediting bodies, at the time the University is notified of these reviews. The appropriate administrator will work with the Director to coordinate the review and develop a plan to communicate findings and action items. The Director will update the Board and administration on these audits/reviews.
- The Director will inform the President/Board when these actions are not taken.